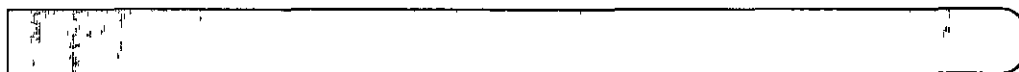


Austin Housing Finance Corporation Board Briefing

Affordable Rental
Housing in Market-rate
Developments

August 28, 2008



Why We're Here?



- **Variety of incentives available to developers to incorporate affordable housing in market-rate developments (Vertical Mixed Use, Planned Unit Development, Transit-Oriented Development (proposed), etc.)**
- **Seek Board approval on new program to “buy down” rents using local resources (General Obligation bond funds, Housing Trust Fund)**

Staff Recommendation Key Program Elements



FOLLOW EXISTING PROCEDURES

- Review of Applications (staff review, Housing Bond Review Committee, Board approval)
- Financing provided in deferred forgivable loan, secured by deed of trust, which matures at the end of 40 years.
- Affordability requirements are ensured through Restrictive Covenant

Staff Recommendation Key Program Elements

NEW FEATURES FOR MARKET-RATE DEVELOPMENTS

- Limited to up to 10% of total units, unit mix mirrors overall
- Buy down only from 80% to 50% median family income
(Target income for single = \$39,850; 4-person family = \$35,550; Community Development Commission supports)
- Per project limit of \$2M, per unit cap of \$60,000
(CDC supports caps of \$1M & \$40,000)
- Location limited to “high opportunity” areas (CDC supports)

Staff Recommendation

Location - Opportunity Mapping



- Opportunity Mapping developed by Ohio State University to identify access to employment, schools, safety, healthcare, & transportation within metropolitan areas
- Tool often used to further fair housing and community development goals by directing investment to underserved areas
- Community Development Commission recommended using Austin's Opportunity Map to help disperse affordable housing throughout the community. Applications in "high opportunity" areas receive bonus points.
- Only "very high opportunity areas" eligible for "buy downs"

Conclusion

- Affordable – like market-rate development– depends on opportunity, timing and availability of financing.
- One “tool in the toolbox” to take advantage of opportunities to integrate affordable housing in market-rate developments in key locations
- It is not intended to be a primary tool for creating affordable housing.